

Three CA Munis to Take 200 MW of Wind Power from Utah Site

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The Los Angeles Department of Water and Power (LADWP) and two neighboring city-run utilities took the first step toward getting 200 MW of wind-generated electricity from a developer in **Utah**. LADWP will take 185 MW under a unique \$270 million pre-paid contract.

UPC Wind would supply the power from a wind farm it is developing in Millard County, UT. An agreement between UPC and the Southern California Public Power Authority (SCPPA), the munis' financing arm, was approved by the SCPPA board Thursday, contingent on similar approvals from the three utility boards at LADWP, Pasadena and Burbank in the next three months.

With SCPPA involvement, the 20-year wind purchase power deal will be prepaid from an upcoming bond sale for which the A-credit-rated joint power authority can carry out at below-market costs. SCPPA and LADWP contend that by prepaying with tax-exempt bond proceeds, the three utilities collectively can save at least \$42 million, compared to the cost of constructing and financing the plants themselves.

"As far as we know this is the first agreement of its type for a publicly owned utility," said Bill Carnahan, SCPPA executive director. "SCPPA will contract with UPC Wind for the 20-year term, provide the project financing once the project is complete, and sign power sales agreements with LADWP and other participants for the output of the project at SCPPA's cost to retire the debt and pay for the ongoing operating expenses," he said.

The project is expected to be commercially operational by the end of next year, LADWP said. This is one of a series of renewable projects that SCPPA is lining up for LADWP and its other 11 public power members, all of which now are subject to the same state renewable portfolio standard (RPS) goals as the state's private-sector utilities.

LADWP General Manager Ron Deaton praised the project, saying it would meet about 1.9% of the 20% renewable-generated power supplies the city-run utility needs by 2010. Called the "Milford Corridor Project," the wind supplies are "another important step forward" in LADWP's efforts to meet the 20% goal, which its oversight board has endorsed, according to H. David Nahai, president of the LADWP Board of Water and Power Commissioners.

Nahai said that along with other renewable projects, the board looks forward eventually to approving the deal and passing it on to the city council and mayor for their separate approvals.

The Milford wind supplies will increase LADWP's RPS total to about 8%, the utility said. The deal came from a request-for-proposals (RFP) that SCPPA made last year on behalf of LADWP and several of its other members.

LADWP recently issued its own RFP for 2,200 GWh of renewable energy annually, or about \$176 million of power each year. In addition, LADWP said it is looking for renewable energy project that can be constructed on the city utility-owned land (5,800 acres) located in the Salton Sea area of San Diego and Imperial Counties in the southeast corner of the state (see Power Market Today, Feb. 5).